

**Montana Public Employee Retirement Administration**  
**History of Funding Shortfall**  
**SAVA**  
**November 16, 2012**

Valuation Results								
June 30, 2012								
(\$ in millions)								
	PERS	SRS	GWPORS	HPORS	MPORS	FURS	JRS	VFCA
AAL	\$5,661.2	\$284.5	\$128.9	\$167.8	\$427.2	\$377.2	\$46.2	\$36.1
AVA	3,816.9	211.5	97.7	96.6	234.0	233.1	63.2	26.5
UAL	\$1,844.3	\$73.0	\$31.2	\$71.2	\$193.2	\$144.1	(\$17.0)	\$9.6
Funded Ratio	67.6%	74.3%	75.8%	57.6%	54.8%	61.8%	136.8%	74.7%
Statutory Contribution Rate	14.13%	19.36%	19.56%	45.38%	52.78%	57.66%	32.81%	n/a
NC Rate	11.80%	18.73%	18.98%	23.60%	26.26%	26.50%	23.80%	n/a
Available for Amortization	2.34%	0.63%	0.58%	21.78%	26.52%	31.16%	9.01%	n/a
Years to Amortize	Does not Amortize	Does not Amortize	Does not Amortize	49.7	25.7	16.4	0.0	9.3
Shortfall	6.527%	5.850%	3.640%	5.780%	n/a	n/a	n/a	n/a

Normal Cost (NC) – The average cost of membership.

Actuarial Accrued Liability (AAL) – The cost of the future benefit payments for current members and retirees.

Actuarial Value of Assets (AVA) – Market value of assets smoothed over four years. This helps to flatten out short-term market volatility.

Unfunded Actuarial Liability (UAL) – The excess, if any, of the Actuarial Liability over Actuarial Value of Assets.

Funded Ratio – The ratio of the Actuarial Liabilities to the Actuarial Value of Assets.

VFCA 5% of Insurance premium tax fund (approximately \$1.6M)

Plan Valuations can be found on MPERA's website under the *About MPERA* tab, URL: <http://mpera.mt.gov/actuarialvaluations.shtml>

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Valuation Results								
June 30, 2011								
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	PERS	SRS	GWPORS	HPORS	MPORS	FURS	JRS	VFCA
AAL	\$5,410.1	\$266.5	\$119.8	\$155.7	\$401.4	\$355.2	\$43.4	\$35.2
AVA	3,800.5	203.7	90.4	95.3	221.7	219.9	61.3	26.2
UAL	\$1,609.6	\$62.8	\$29.4	\$60.4	\$179.7	\$135.3	(\$17.9)	\$9.0
Funded Ratio	70.2%	76.4%	75.4%	61.2%	55.2%	61.9%	141.1%	74.4%
Statutory Contribution Rate	14.07%	19.36%	19.56%	45.38%	52.78%	57.66%	32.81%	n/a
NC Rate	12.59%	18.88%	19.33%	24.14%	26.26%	26.54%	24.13%	n/a
Available for Amortization	1.48%	0.48%	0.23%	21.24%	26.52%	31.12%	8.68%	n/a
Years to Amortize	Does not Amortize	Does not Amortize	Does not Amortize	48.2	25.0	16.0	0.0	8.8
Shortfall	6.32%	5.22%	3.80%	5.33%	n/a	n/a	n/a	n/a

**Normal Cost (NC)** – The average cost of membership.

**Actuarial Accrued Liability (AAL)** – The cost of the future benefit payments for current members and retirees.

**Actuarial Value of Assets (AVA)** – Market value of assets smoothed over four years. This helps to flatten out short-term market volatility.

**Unfunded Actuarial Liability (UAL)** – The excess, if any, of the Actuarial Liability over Actuarial Value of Assets.

**Funded Ratio** – The ratio of the Actuarial Liabilities to the Actuarial Value of Assets.

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<b>History of Funding Shortfalls</b> <b>(as a % of Payroll)</b>				
<b>FY</b>	<b>PERS</b>	<b>SRS</b>	<b>GWPORS</b>	<b>HPORS</b>
<b>2004</b>	1.19	2.15	0.23	
<b>2005</b>	1.58	2.69	0.26	
<b>2006</b>	1.01	1.84	0.04	
<b>2007</b>				
<b>2008</b>				
<b>2009</b>	2.35	2.53		
<b>2010*</b>	5.01	4.03	3.47	
<b>2011</b>	6.32	5.22	3.80	5.33
<b>2012</b>	6.527	5.85	3.64	5.78

\*FY 2010 – Actuarial Assumed ROR was decreased from 8% to 7¼%